



GOVERNMENT OF THE REPUBLIC OF TRINIDAD AND TOBAGO
OFFICE OF THE PRIME MINISTER

SPEAKING NOTES FOR

THE HONOURABLE SENATOR LARRY HOWAI

ON BEHALF OF:

KAMLA PERSAD-BISSESSAR, SC, MP

PRIME MINISTER OF THE REPUBLIC OF TRINIDAD & TOBAGO

ON THE OCCASION OF

THE OPENING OF THE CARIBBEAN INVESTMENT AND FINANCE FORUM

HYATT HOTEL

WEDNESDAY 4TH MARCH 2015



SALUTATIONS

Introduction

Good morning, let me begin by apologizing for the absence of the Honourable Prime Minister who is unable to be here due to her having to attend to another urgent matter which has arisen. She sends her best wishes for a successful conference. Having been given this opportunity, I would like on my own behalf to thank you for your kind invitation join you and share my thoughts and ideas on how we can maximize the benefits of today's investment forum.

To our guests from abroad – I welcome you all, we are always happy to host friends from other countries.

In fact, we are delighted to have been chosen as the venue for *LatinFinance's* 2015 Caribbean Investment and Finance Forum (CIFF).

Not only does it reflect confidence in the social and economic system that the Government has worked hard to consolidate and advance, but also, it continues the process of consolidation of Trinidad and Tobago as a regional international financial centre.

Significance of hosting CIIF

Today's forum is a very significant milestone for our TTIFC, which is leading this country's efforts in attracting and facilitating foreign direct investment in the financial services sector.

Since 2010, the Government's economic transformation agenda has expended tremendous effort in driving sustainable growth and diversification of the economy.

At that time the **financial services sector** was identified as one of seven strategic business clusters for economic development in Trinidad and Tobago.

The aim was to increase the contribution of the financial services sector to GDP as we navigated away from an historical heavy reliance on energy resources.

With the success recorded to date, we project that by 2019/2020, the operations of the TTIFC stands to contribute \$700–850 Million US Dollars per annum to GDP.

And it is with initiatives such as these that the longstanding objective of economic diversification stands its best chance of success.

You will know that the Caribbean Investment and Finance Forum is being held in Trinidad and Tobago after a six-year hiatus, which began in 2008.

And I trust that its return is a clear signal that we have been making the right moves, adopting the right strategies, and moving in the right direction.

This Forum is being held in response to a rising demand for capital from regional borrowers, and growing interest in the Region from the global finance and investment community.

In fact, at the recently concluded 26th Intercessional Meeting of CARICOM Heads of Government, which

was held in the Bahamas a very important decision was made.

The Heads agreed to the establishment of a Committee of Finance Ministers to work with the Caribbean Association of Banks, on a plan to address the concern and reason for the CARICOM Region being unfairly labelled as a high-risk area for financial services.

While this may well be one of the issues given attention at this Forum, I am confident that you will share that sense of urgency in putting that perception right.

Indeed, other issues for discussion include infrastructure financing; capital markets; energy; connectivity within the Caribbean Region; knowledge and education; public finance and economic growth; and private equity – areas which hold significant relevance for many Caribbean economies.

Therefore your conversations during this two-day Forum are important not only to managing strategies to strengthen the region's emerging economies, but also to address the increasing indebtedness of nations in CARICOM.

The private sector must be prepared to work hand in hand with Governments to increase investment in

education and research and development to make our populations and countries more innovative and globally competitive.

Or we may want to look at it another way – Governments must be willing to adopt modern strategies, structures and growth policies so that we can better match the needs and pace of business activity.

There is consensus that we must develop a range of products to make the Region's markets more attractive to potential investors, but what is more important is that we must achieve a formula for us to

pool our wealth, share our markets and improve our competitiveness.

And the ideas and commitments that emerge from this Forum today will provide the stronger platform to achieve our objectives.

The TTIFC at Work

In Trinidad and Tobago, the pace of economic diversification has generated a positive momentum, as evidenced by the strides made by the TTIFC.

The TTIFC is fully focused and committed to this vision and is intent on making Trinidad and Tobago

the premier location in the Western Hemisphere for financial services.

And let me assure you – we appreciate that to achieve this success Trinidad and Tobago must distinguish itself as an IFC with unique value-based offerings when compared to other Financial Centres around the world.

The TTIFC has pursued this mandate by promoting Trinidad and Tobago's competitively attractive business environment and the increasing ease of doing business locally.

We are leveraging:

- our stable democracy,
- proximity to North, Central and South America,
- low energy costs,
- a robust telecommunications infrastructure,
- and most importantly, a large and growing pool of English speaking Finance and Accounting professionals to position Trinidad and Tobago as the foremost location for international financial firms to set up operations in this part of the world.

The TTIFC is also working to enhance the international image of Trinidad and Tobago as an ideal location for capital market transactions.

We have increased our visibility and participation in global discussions in New York, London, Toronto, Dubai and Beijing to fuel interest and market the positive and value-creating conditions offered by Trinidad & Tobago.

These discussions have forged working relationships with a number of IFC's across the globe that allowed the TTIFC to glean best practices which can be adapted and used for a series of initiatives.

The TTIFC has also led the way in finding the opportunities posed by the severe challenges of the 2008 global financial crisis.

Financial institutions are now focusing more on managing costs and are turning to near-shoring support operations closer to their home bases, within their respective time zones, which have provided a major boost to business process outsourcing firms.

Trinidad and Tobago is now on the radar of business process outsourcing firms that have expressed some interest in seeing what Trinidad and Tobago has to offer and fully understanding its potential.

One success story is the decision by both RBC and Scotiabank to set up their shared services hubs in Trinidad and Tobago.

This was achieved because of the easy access to a pool of skilled labour and the presence of the necessary physical infrastructure.

Such positive response proves that Trinidad and Tobago must continue to explore this new frontier in order to reap the rewards of employment for our young, tertiary-level graduates.

Trinidad and Tobago has now achieved a tertiary-level participation rate of 65.2% - some 57,000 persons).

And with the increasing strength and spread of the financial services sector and the diversification of the economy...

- The total number of companies operating in TTIFC is expected to reach 85 by 2019;
- In order to support TTIFC's growth, it is expected that approximately 100 high-quality direct jobs will be created by 2020 to facilitate the regulation and administration of the operations of the TTIFC.
- Further to this, the TTIFC is expected to facilitate the creation a significant number of new jobs over the next five years.
- This includes both direct jobs in business process outsourcing and financial services companies within the TTIFC, as well as indirect jobs in the

wider T&T economy. The majority of jobs (80–90%) would be occupied by citizens of Trinidad and Tobago.

- Human Capital development will occur through economic expansion, from the knowledge gained from expatriate specialists, and from the technological spill-over effect from within the IFC. The majority of this will accrue to the financial services industry.
- Based on expected tenant attraction, TTIFC will become self-sufficient by 2019, generating revenue of at least USD 25M per annum in revenue.

Proper Regulatory Framework – a must-have

A core factor in achieving international financial centre status has also been in addressing issues and concerns over the regulatory framework.

A major initiative under consideration is the TTIFC's proposal to create a special IFC Authority.

This Authority will consist of an agency that will be responsible for proposing laws and regulations and regulating the activity conducted within the financial centre.

It will be responsible for managing the operations of the financial centre; and a dispute resolution centre

for transactions executed by firms operating within the financial centre.

This Authority will be the only one in the Region, and in fact, the first and only of its kind in the Western Hemisphere.

As part of this effort, I am pleased to note that the TTIFC has crafted IFC specific legislation, which has been put forward for consideration for the establishment of the Authority with “best in class” investor protection and arbitration legislation along with its own court system.

Concluding Comments

As I conclude therefore, what is very clear is that Trinidad & Tobago has been gradually accruing successes in its drive to transform and re-calibrate the economy.

Congratulations are due to the Board of Directors, Management and Staff of the TTIFC for the work done thus far.

The work that they have done and the success that they have achieved have had a very positive impact on the lives and future of the people of Trinidad & Tobago and indeed the CARICOM region.

Their continued work is critical to achieving the future that we envision.

May God continue to bless you all and may God continue to bless Trinidad and Tobago and our Region.